IN THE UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF ALABAMA NORTHERN DIVISION

GOFF GROUP, INC., et al.,	
Plaintiffs,	
v.	CIVIL ACTION NO CV - 06-389
PHOENIX-DURANGO, L.L.C., et al.,	

Defendants.

RESPONSE TO ORDER TO SHOW CAUSE REGARDING COMPANION PROPERTY & CASUALTY INSURANCE COMPANY'S MOTION TO DISMISS

COMES NOW Phoenix Durango, L.L.C., defendant and counterclaim plaintiff in the above-styled action, and in response to this Court's Order to Show Cause regarding Companion Property & Casualty Insurance Company's Motion to Dismiss, states that Companion Property & Casualty Insurance Company's ("Companion") Motion to Dismiss is due to be granted because it does not appear that Companion has a lien on the same property which Phoenix Durango is seeking to foreclose upon.

Phoenix Durango, L.L.C. ("Phoenix Durango"), purchased Community Bank & Trust's mortgage, attached as Exhibit B to Companion's Motion to Dismiss, which was given by Goff Group, Inc., to Community Bank & Trust, on the following described real estate:

> Lot 1-A, Block A, according to the Map of Technacenter Plat No. 2, as said Map appears of record in the Office of the Judge or Probate of Montgomery County, Alabama, in Plat Book 41, at Page 150.

Based upon the initial information available to Phoenix Durango at the time of filing its foreclosure counterclaim, Phoenix Durango believed Companion also had a mortgage on the same property. It appears, however, upon review of additional real estate documents and upon Phoenix Durango's receipt of a title report on Lot 1-A, Block A, that Companion does <u>not</u> have a lien on the property at interest in this lawsuit. Instead, Companion has a mortgage on the two neighboring parcels, which were also owned by Goff Group, Inc., and later transferred to John W. Goff, know as the "3.722 acre parcel" and the "2.182 acre parcel." See Companion's Mortgage, attached as Exhibit C to its Motion to Dismiss. Therefore, Companion does not have a lien on the property which is the subject of Phoenix Durango's foreclosure counterclaim.

WHEREFORE, ABOVE PREMISES CONSIDERED, Phoenix Durango does not object to Companion Property & Casualty Insurance Company's Motion to Dismiss, but instead states that Companion Property & Casualty Insurance Company's Motion is due to be granted for Companion's lack of a lien on the property which is the subject-matter of this foreclosure counterclaim.

s/Vernon L. Wells, II

s/C. Ellis Brazeal

Attorneys for Defendant and Counterclaim Plaintiff Phoenix-Durango, LLC.

OF COUNSEL Walston, Wells & Birchall, LLP 1819 5th Avenue North, Suite 1100 Birmingham, Alabama 35203 Telephone: (205) 244-5200

Telecopier: (205) 244-5400

CERTIFICATE OF SERVICE

I hereby certify that on this 31st day of July, 2006, I electronically filed the foregoing RESPONSE TO ORDER TO SHOW CAUSE REGARDING COMPANION PROPERTY & CASUALTY INSURANCE COMPANY'S MOTION TO DISMISS with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the following:

Thomas T. Gallion, III Jamie Austin Johnston Haskell, Slaughter, Young & Gallion, LLC PO Box 4660 Montgomery, Alabama 36103-4660

2

Document 68

F. Chadwick Morriss Alan Thomas Hargrove, Jr. Rushton, Stakely, Johnston & Garrett, PC PO Box 270 Montgomery, Alabama 36101-0270

Jason James Baird Slaten & O'Connor, PC 105 Tallapoosa Street, Suite 101 Montgomery, Alabama 36104

Leura Garrett Canary Attention: Patricia Allen Conover Assistant U.S. Attorney Post Office Box 197 Montgomery, Alabama 36104

Issac Ripon Britton, Jr. Hand Arendall, LLC 2001 Park Place North Suite 1200 Birmingham, Alabama 35203

Winston Whitehead Edwards David Cushing Hilyer Craddock, Reneker & Davis, LLP 4142 Carmichael Road, Suite C Montgomery, Alabama 36106

Paul L. Beckman, Jr. Capouano, Beckman & Russell, LLC PO Box 4689 Montgomery, Alabama 36103-4689

George Marion Neal, Jr. Anthony Ryan Smith Sirote & Permutt, PC PO Box 55727 Birmingham, Alabama 35255-5727

Paul Kenneth Lavelle Yearout, Spina & Lavelle, PC 1500 Urban Center Drive, Suite 450 Birmingham, Alabama 35242

Donald Christopher Carson Janine L. Smith Burr & Forman, LLP

420 North Twentieth Street, Suite 3100 Birmingham, Alabama 35203

and I hereby certify that I have mailed by U.S. Postal Service the document to the following non-CM/ECF participants:

Lewis B. Hickman, Jr. 915 S. Hull Street Montgomery, Alabama 36104

Robert W. West Associate Area Counsel Internal Revenue Service, Room 257 801 Tom Martin Drive Birmingham, Alabama 35211

Internal Revenue Service Insolvency Unit, Room 126 801 Tom Martin Drive Birmingham, Alabama 35211

MBNA America Bank (Delaware) Registered Agent, MBNA America Bank (Delaware) 1100 North King Street Wilmington, Delaware 19884

CSC Lawyers Incorporating Service, Inc. Registered Agent, Kemmons Wilson, Inc. 150 Perry Street Montgomery, Alabama 36104

Daniel Realty Company Registered Agent, Meadow Brook North, LLC 3595 Grandview Parkway, Suite 400 Birmingham, Alabama 35243-1930

Willis of North America, Inc. Attention: Kellie Smits 26 Century Boulevard Nashville, Tennessee 37214

CSC Lawyers Incorporating Service, Inc. Registered Agent, Stuart Allan & Associates, Inc. 150 Perry Street Montgomery, Alabama 36104

s/Vernon L. Wells, II
Of Counsel